

Address to the Hayward City Council

July 9, 2013

My name is John Kriege and I live at

, Hayward.

I am a retired teacher and a gardener, living on a

limited income. I am the one who wrote to you all

expressing my shock at my April-May water bill of

\$795.15 and I fear summer bills of well over \$1,000.

Until recently, I, along with my neighbors, were

unaware that we pay a penalty of 50% more for our

water than do other customers – a 50% surcharge and have done for 59 years. Hayward water doesn't identify that a 50% surcharge is included in the bill and I found that even the collectors at City Hall didn't know about it. Forty years ago, my summer water bill would be less than \$200., now I am expecting to pay over \$1,000. I am not complaining about increased San Francisco water prices but about the 50% surcharge to Castle Homes people.

It is the surcharge that keeps us poor and brown, all the six months of no rain.

Many of you on the City Council have kindly returned my phone calls and have given us hope that the surcharge will be reduced or ended.

I have learned from Mr. Alex Ameri and Ms. Marilyn Mosher that because we are outside of City boundaries we pay this huge penalty. That is where other hill people - Greenbriar, Stonebrea, Promenance, the Blawie Tracts pay \$400, we pay \$600 for the same amount of water from the same reservoir.

I also learned that Hayward Water System is run like a business with all costs paid by the rate payer. No City Property Tax subsidizes the Water Dept. Thus, we should not have to pay a surcharge in lieu of City Property Tax.

I estimate that about 200 Castle Homes properties buys about \$300,000 or more of Hayward Water each year and \$100,000 which is 1/3 of that is the penalty surcharge. This is an unfair tribute to Hayward Water.

Hayward Water prides itself as being a self-sustaining business, using no taxes. No Hayward

business would charge “out of town” customers 50%

higher prices!

Perhaps you, the members of the City Council didn't realize – we didn't – that we have been exploited for decades – treated as a Colony of Hayward.

So here are some serious concerns for you to consider:

1. Proposition 26 says a surcharge must be clearly justified by identified costs which are over and above costs to serve other water recipients outside of Castle Homes.

These costs must be proved by a preponderance of evidence.

2. We find such costs which have been stated to us, such as having dead-end lines that need flushing, that dead-end lines are also found elsewhere in the Hayward Water System. Distance from the reservoir is not an issue because we wrap around Greenbriar, which is a regular rate City area. In some cases, therefore, we are closer to the reservoir than City property.

Our next speaker, Mr. Bob Zapotosky will further *discuss* explain Proposition 26 and what it requires Hayward to do to come into compliance.

Please remember, we have been paying dearly, 50% more for 59 years – long after the original debt was paid and the debt payment time ended.

We need the Council and the staff to do what is necessary to comply with the 2010 Proposition 26 law and eliminate this unfair and illegal surcharge.

Thank you.

John F. Kriege